Remarks

I. Introduction

In the Office Action dated February 24, 2004, the Examiner rejected pending claims 1-10 for anticipation under 35 U.S.C. §102(e) or in the alternative for obviousness under 35 U.S.C. §103(a) in view of U.S. Patent Application Publication No. 2002/0065723 A1 to Anderson et al. ("the Anderson application"). Applicant will demonstrate that the claims of the present application are not anticipated or obvious in view of the Anderson application. Accordingly, pending clams 1-10 are allowable and Applicant respectfully requests that the anticipation and obviousness rejections based on the Anderson application be withdrawn and the present application be passed to issue.

II. Claims 1-10 are Allowable

The numbered section 3 of the Office Action, the Examiner rejected claims 1-4 and 6-9 for anticipation under 35 U.S.C. §102(e) or in the alternative for obviousness under 35 U.S.C. §103(a) in view of the Anderson application. In rejecting claims 1-10 under these bases, the Examiner stated at numbered section 4 the following:

> Anderson et al. teaches independent claims 1 and 6) a computer-based method for maximizing redemption award units in an award program (para. [0026], but Anderson et al. does not explicitly teach a shortfall percentage and storing said shortfall percentage. However, under the principles of inherency (MPEP § 2112.02), since the reference invention necessarily performs the method claimed, the method claimed is considered to be anticipated by the reference invention. As evidence tending to show inherency, it is noted that the reference teaches *the number of points needed* (bottom of par. [0027], which is the mathematical equivalent of a shortfall. Alternatively, *because* percentages are sometimes more meaningful and convenient to work with than absolute values, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add to the teachings of Anderson et al. the storage and display of *the number of points needed as a shortfall percentage.*

In numbered section 5 at page 3 of the Office Action, the Examiner stated that the Anderson application also teaches the following:

> Anderson et al. does teach *AwardPoints* as a *generic, convertible currency* (para. [0037] and Merriam-Webster's Online Dictionary), which reads on determining a monetary amount. The reference also teaches "a multiplication factor" (ratio) in order to combine *several types of award points* and convert them to *AwardPoints* (para. [0031], [0053] and [0054].

In the telephonic interview cited above, Applicant indicated to the Examiner that the above statements regarding Anderson do not teach or render obvious what is set forth in claims 1 and 6 of the present application. First, the Examiner believes that claims 1-4 and 6-9 are directed to clams the identification of a shortfall percentage and then storing the shortfall percentage. The present invention differs substantially from the Anderson application because the Anderson application just recognizes a shortfall and does nothing with the shortfall. The present invention recognizes a shortfall and then provides a novel system and method for completing the shortfall for receiving an award for maximizing the benefits award program.

At page 10, lines 22-26, the method of selectively determining a shortfall is stated:

> At 227 [Figure 2], the method of the present invention will determine whether the accumulated award miles total falls within a predetermined percentage range of the required award mileage. This percentage may be selected by the airline or entity administering the mileage award program. For example, such an entity may select the percentage range to be from 95% to 100%-1 of the required award mileage. Alternatively, the method may not state this requirement as a percentage range but as the need for the accumulated award miles to be greater than, or equal to, 95% of the required number [of] award miles.

At page 11 at lines 1-13 of the specification, Applicant provides an example of the method of the present invention. There the present application states:

> At 231 [Figure 2], it is determined if there is a single or multiple redemption, it is determined if this is a single or multiple award redemption, the method will proceed to 235. At 235, the method will save the unused accumulated award miles in the appropriate database. Following the saving of these award miles, the method will proceed to End 240. However, if the accumulated award miles is within the selected percentage range, or is equal to, or greater than, the selected percentage, the method will go to 230.

Among other things, the system and method of Anderson application does not make a selection of a percentage upon which to apply the award program incentive as set

forth for a disclosed embodiment of the present application. Moreover, the Anderson application doe not then determine if the award mileage shortfall is within that percentage.

If the shortfall is within the selected percentage, the Anderson application does not apply a variety on methods for making p for the mileage shortfall. For example, the following method is performed according to an embodiment of the present application (page 11, lines 7-27)

> At 230 [Figure 2], the method of the present invention will determine the number of award miles that constitute the mileage shortfall. This may be done, for example, by subtracting the accumulated award miles from the required award miles. This numbered of shortfall miles is multiplied by a multiplication factor at 232 [Figure 2]. This multiplication factor may be fixed for each of the shortfall miles. For example, if the award shortfall is 150 miles, the multiplication factor may be $0.50/mile, so the amount to purchase the shortfall miles would be $80.00.
>
> The method may also use a weighting system to determine the amount that will have to be paid to compensate for the mileage shortfall. For example, if the percentage range or the amount in excess of a predetermined percentage equals 500 miles, the weighting system multiplication factors could be $0.50 for 449-500 shortfall miles; $0.47 for 401-450 shortfall miles; $0.44 for 349-400 shortfall miles; $0.41 for 350-399 shortfall miles; $0.38 for 300-349 shortfall miles; $0.35 for 250-299 shortfall miles; $0.32 for 200-249 shortfall miles; $0.29 for 150-199 shortfall miles; $0.26 for 100-149 shortfall miles, and $0.23 for 50-99 shortfall miles, and $0.20 for 1-49 shortfall miles.

The Anderson application does not anticipate the claims of the present application. For example, the Anderson application does not understand or appreciate the present application's method of using the shortfall miles to generate novel methods to use this shortfall percentage as set forth in the quotations above. Accordingly, Applicant has overcome the Examiner's anticipation rejection of claims 1 and 6, and requests that it be withdrawn.

In numbed section 6, the Examiner has rejected dependent claims 2-4 and 7-9 for anticipation based on the Anderson application. However, Applicant has shown above those independent claims 1 and 6 are not anticipated by this reference. Accordingly, for the same reasons, claims 2-4 and 6-10 that depend from these claims are not anticipated

by the Anderson application. Applicant, therefore, requests that this rejection be withdrawn.

Numbered section 7 of the Office Action states that claim 1 and 5 are obvious in view of the Anderson application. Applicant submits that the Anderson application does not render claims 1 and 5 obvious because of the deficiencies pointed out above with regard to traversing the anticipation rejection. Accordingly, the obvious rejection has been traversed and should be withdrawn.

Conclusion

The present application is new, non-obvious, and useful. The present application is in condition for allowance in light of Applicant traversing each of the Examiner's rejections for anticipation and obviousness. Reconsideration and Allowance of the claims are requested.

Respectfully Submitted,

Dated: May 24, 2004

Wayne M. Kennard
Registration No 30, 271
Attorney/Applicant

28 Partridge Road
Lexington, MA 02421